

IRS News Release

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Special Economic Stimulus Payment Packages Go to Social Security, Veterans Recipients

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WASHINGTON — Starting next week, the Internal Revenue Service will mail special information packages to 21 million recipients of Social Security or Veterans Affairs benefits to help them get their 2008 economic stimulus payment.

The 10-page tax package contains everything the recipients will need to file a 2007 tax form immediately. Each package contains an informational notice, tips for completing Form 1040A, a sample Form 1040A and an actual Form 1040A for the filer to complete.

The package is specially designed for people who may qualify for an economic stimulus payment but who normally aren't required to file a tax return.

"We want to put everything right at the fingertips of the people who need this information the most," said Linda E. Stiff, Acting IRS Commissioner. "In some cases, seniors and others in this group haven't needed to file a tax return for years or even decades. To help them get a stimulus payment, we're doing everything we can to make this as easy as possible. These packages mean many people will just need a pen and a stamp, and the IRS will do the rest."

Under the Economic Stimulus Act of 2008, people may be eligible for the minimum payment of \$300 (\$600 for married couples) even if they do not normally file a tax return. There also is an additional payment of \$300 for people with eligible children younger than 17. However, people must file an income tax return in order to receive the payment.

People who don't normally need to file also can use [Free File – Economic Stimulus Payment](#), which is available at IRS.gov. Several Free File software providers are making their products available for the simplified filing of a tax return.

"These stimulus payments have the potential to help people in real need and stimulate our economy," said Tom Nelson, AARP's Chief Operating Officer. "The IRS, through efforts like this, is doing a great job of informing people that they might be eligible for a stimulus payment, offering step-by-step guidance on how they can apply, and what scams they need to avoid."

To qualify for the minimum economic stimulus payment, people must have at least \$3,000 in any combination of qualifying income from retirement, disability or survivors' benefits from the Social Security Administration; disability compensation, disability

pension or survivors' benefits from the Department of Veterans Affairs; Tier 1 benefits from Railroad Retirement, certain combat pay and earned income from wages, salaries, tips or net earnings from self-employment that are includible in taxable income.

The mailing list of 21 million names represents Social Security and Veterans Affairs benefit recipients who did not file a tax return in 2006, allowing the IRS to directly target the special package to people likely to qualify for a stimulus payment but who may not otherwise file a tax return this year. The mailing, called Package 1040A-3, is separate from more than 130 million other economic stimulus letters (Notice 1377) being sent this month to taxpayers who filed tax returns in 2006.

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Generally, the special mailing does not include low-wage workers without a filing requirement who could qualify for economic stimulus payments. The IRS is working with numerous community, governmental organizations and charitable groups to reach low-income workers and their families. People in this category also need to fill out a tax form, preferably a simple Form 1040A.

With so many people potentially unaware of the stimulus payments, Stiff encouraged people to reach out to help their friends and family members. "We don't want anyone to fall through the cracks," Stiff said. "People can help friends and family members by making them aware of the payments or helping fill out the forms. These forms are very simple. In just a few minutes you can complete the entire process by filling in just a few lines."

A sample Form 1040A is included in the tax package and is available at IRS.gov. People need to complete the lines for the mailing label and provide a Social Security number; the filing status (single or married) and exemptions (children younger than 17 and their Social Security numbers).

People with earned income must complete Line 7 to report their 2007 annual income. Recipients of Social Security, VA and Railroad Retirement payments must complete Line 14a of Form 1040A to report their 2007 annual benefits. Certain recipients should have a Form SSA-1099 or Form RRB-1099 with that information. Or, people can multiply their 2007 monthly benefit by the number of months the payment was received for 2007 to estimate their annual benefit amount.

The IRS encourages recipients to complete the direct deposit information on the Form 1040A if they have bank accounts. Direct deposit will be the easiest and fastest way to receive a payment. The IRS also encourages people to file their income tax return as soon as possible. The IRS will begin issuing economic stimulus payments starting in May.

The IRS reminds taxpayers it does not gather information for stimulus payments over the telephone, and it does not send unsolicited e-mail to taxpayers about tax account matters. If taxpayers receive an unsolicited e-mail from someone claiming to be from the IRS, don't click on any links. People should forward it to phishing@irs.gov, and then delete it. The only official IRS Web site is located at www.irs.gov.

To be eligible for economic stimulus payments, people must have valid Social Security numbers, have at least \$3,000 in qualifying income and not be a dependent or eligible to be a dependent on someone else's income tax return.

For taxpayers who normally file an income tax return, the maximum stimulus payment is \$600 (\$1,200 for married couples), amounts that will phase out starting with adjusted gross income of \$75,000 (\$150,000 for married couples). For taxpayers who file a 2007 income tax return, the amount of the economic stimulus payment will be calculated automatically by the IRS.